GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1918
ANSWERED ON:31.07.2015
Export Fraud
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Will the Minister of FINANCE be pleased to state:

(a) Whether Directorate of Revenue Intelligence (DRI) has unearthed a major export fraud through the Kochi and Mumbai ports causing a loss of around Rs. 100 crore to the exchequer between 2010 and 2015;and

(b) if so, the details thereof and the action taken against the offenders along with the punitive measures initiated to curb such practice?

Answer

The Minister of State in the MInistry of Finance (Shri Jayant Sinha)

(a) Yes, Directorate of Revenue Intelligence (DRI) has registered a case of fraudulent availment of drawback and other export benefits at Cochin and Mumbai ports in June 2015. Goods worth Rs. 17.70 lakhs & Rs.1235 lakhs were seized at Mumbai and Cochin respectively.

(b) One person has been found to export items like footballs, golf balls and gloves to Dubai at an inflated price from Mumbai since 2007 and from Cochin since 2012 in the name of two (2) companies. However, investigations conducted so far have revealed that the exported items were being reimported from Dubai in the name of other companies at an undervalued price (in comparison to export price). Export benefits were being availed by circulating the same goods and replenishing as and when some of them were damaged. Export incentives availed are to the tune of Rs. 90.00 crores. Action under Customs Act, 1962 has been initiated and the concerned person has been arrested. Customs field formations have also been alerted to prevent such fraudulent practice in future.